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18 July 1957

Chief, St/I/R

THRU : Chief, D/S

Chief, S/CST

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Targets on Albania

REF : St/I Office Notice No.112, 9 April 1957

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Below is the S/CST contribution to the Targets on Albania:

Objective II d

The strengths and weaknesses of the Soviet (including Satellite) economy, with particular reference to its ability to support a major war; the motivation, character, and magnitude of current economic development programs, their implementation and their effect upon the economic, political, and military strength of the Soviet Bloc; the capabilities and vulnerabilities of the Soviet and Satellite internal communications systems.

Background

There is little definitive information available on the construction industry in Albania. Past estimates of construction output have been based largely on statements of percentage increases in the volume of construction. There is a dearth of information concerning labor force, productivity, construction costs, the distribution of construction output among economic sectors, organization of the construction industry, and construction technology.

Construction has played an important role in the investment build-up in Albania in the postwar years. In the First Five Year Plan (1951-55), construction accounted for 65 percent of total capital investment, and planned construction in the Second Five Year Plan represents 59 percent of planned capital investment. From 1949 to 1955, the volume of construction increased by 170 percent. Plan fulfillment has been reasonably good, and there is no reason to expect that the construction industry has significantly affected the over-all plan goals. The construction industry, however, suffers the same shortcomings as most of the other European Satellites -- failure to insure timely arrivals of construction materials, shortages of manpower and necessary cadres for the construction sector, and poor organization and management of construction work. The Second Five Plan calls for a modest increase in investment in construction of 16 percent over the value of con-

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SUBJECT: [REDACTED] Targets on Albania

struction output in the First Five Year Plan. Better organization and improved labor productivity are viewed as the means of achieving the planned increase in construction output. Planned increases in production of building materials, if implemented, will aid materially in the fulfillment of the plan by improving the flow of materials to building sites.

A. General

Basic Guidance

Economic plans, programs, plan fulfillment reports, significant failures and achievements; construction planning apparatus; effects of recent moves to decentralize control over planning and execution of construction activity.

Distribution of construction output among major economic sectors; the extent of military and defense construction and the impact on the over-all construction program; shortages of building materials, particularly cement; any evidence of cutbacks in housing, social, and cultural construction so that scarce construction resources can be diverted to industrial construction; developments in the production of prefabricated sections and large wall panels for housing and other construction, with particular reference to production of lightweight panels and completely prefabricated houses; progress in applying techniques of industrialized construction.

Methods of arriving at estimate prices for construction materials and manpower used in investment planning; actual costs of production of various building materials; prices at which materials are sold to construction enterprises and the basis for their determination; relationship of market prices to production costs and estimate, or plan prices; price basis used by the construction industry in reporting plan fulfillment, i.e., is plan fulfillment reported in terms of plan prices or does it reflect actual prices paid for inputs, where actual prices differ from plan prices.

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<u>No.</u>	<u>Target</u>	<u>Location</u>
1.	<u>Classified version of the Second Five Year Plan (1956-60), yearly economic plans, Budgets, and plan fulfillment reports.</u>	Most likely to exist in offices of the ministries and the planning commission of the council of ministers.
2.	<u>Classified directives of the Ministry of Construction concerning methods of reporting of construction output and plan fulfillment.</u>	Ministry of Construction, other investing ministries and offices of construction enterprises
3.	<u>Classified directives of the Ministry of Construction establishing prices of building materials and wage rates for specific types of labor.</u>	Ministry of Construction, construction enterprises, building materials production enterprises.
4.	<u>Classified production and financial records of enterprises producing building materials and their reports to the Ministry of Construction.</u>	Ministry of Construction individual building materials enterprises.
5.	<u>Classified records of construction enterprises, with particular reference to total wages and materials costs, and periodic reports submitted to the Ministry of Construction.</u>	Ministry of Construction, individual construction enterprises.

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Distribution:

Orig. & 1 - Addressee

2 - D/S

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